

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:

NATIONAL FORGE COMPANY, et al.,

Debtor.

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF NATIONAL FORGE
COMPANY,

Civil No. 04-21 Erie

Plaintiff,

and

OFFICIAL COMMITTEE OF RETIREES
OF NATIONAL FORGE COMPANY,

Intervenors,

v.

E. ROGER CLARK, both Individually and as
an Officer and Director of National Forge
Company, et al.,

Defendants.

RESPONSE OF DEFENDANTS CLARK, CASHMAN, BEYELER,
KAEMMERER AND KHARE IN OPPOSITION TO PLAINTIFF'S
MOTION TO STAY PROSECUTION OF COUNT VIII OF THE
COMPLAINT PENDING RESOLUTION OF APPEAL

Defendants E. Roger Clark, Maurice J. Cashman, Dana Beyeler, Robert A. Kaemmerer
and Ashok K. Khare (collectively, the "Officer Defendants") oppose for the reasons set forth
below the relief sought by the Plaintiff in its pending motion (the "Motion").

1. The Officer Defendants have always viewed the Plaintiff's action as patently
frivolous, and being unwilling participants in that kind of action is bad enough. To add insult to

injury, the Plaintiff now asks that the Officer Defendants be required to abide by the Plaintiff's "wait and see" strategy: after the Court of Appeals decides the Plaintiff's appeal, the Plaintiff will decide whether to proceed with Count VIII. Quite simply, the Officer Defendants should not be held in limbo while the Plaintiff decides what it wants to do. After all, it was the Plaintiff that decided to include Count VIII in the Amended Complaint, and it was the Plaintiff that decided to proceed with Count VIII even after the Court granted the defendants' summary judgment motions. The Plaintiff made decisions here, and it should have to live with them.

2. Moreover, based on how the Plaintiff opposed the defendants' summary judgment motions, it is clear to the Officer Defendants that Count VIII can be disposed of by summary judgment. The efforts by the Officer Defendants to put an end to this action should not be stymied simply because the Plaintiff isn't sure whether it wants to proceed with its own case.

3. Finally, the Plaintiff's argument that staying Count VIII until the Court of Appeals resolves the parties' appeals to avoid duplication is simply bunk. The "theme" of the Amended Complaint is that National Forge Holdings, Inc. ("Holdings") and National Forge Company were rendered insolvent through the redemption of the Class B shares, and in Count VIII, Holdings' supposed insolvency is front and center. To prevail, then, on any claim here the Plaintiff must show insolvency, and the analysis that the Plaintiff will use to prove Count VIII is the very same analysis that it will use if the Court of Appeals remands Counts I through VII. Thus, contrary to the Plaintiff's assertions, there is no duplication here; rather, there is progress.

WHEREFORE, the Officer Defendants request that the Motion be denied.

Dated: July 25, 2006

Respectfully submitted,

/s/ Erik Sobkiewicz

Erik Sobkiewicz

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 25, 2006, a true and correct copy of the foregoing Response was served by first-class mail, postage prepaid upon the following:

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